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OF COUNSEL
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February 28, 2006

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Pettet Formation, Reservoir A; Hosston Formation, Reservoir A; and Cotton Valley Formation, Reservoir A; CASPIANA FIELD, Caddo and DeSoto Parishes, Louisiana.

Dear Sir:

RISING STAR ENERGY, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Pettet Formation, Reservoir A; the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana:

- 1. To create twenty-two (22) additional drilling and production units for the exploration for and production of gas and condensate from the Pettet Formation, Reservoir A, such units being shown on an attached plat and being designated PET RA SUPP through PET RA SU63.
- 2. To create twenty-two (22) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SU85 through HOSS RA SU106.
- 3. To create twenty-two (22) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SU78 through CV RA SU99.
- 4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
- 5. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.

Honorable James H. Welsh February 28, 2006 Page 2

- 6. To extend to the additional units proposed herein for the Hosston Formation, Reservoir A, and for the Cotton Valley Formation, Reservoir A, the provisions of Office of Conservation Order No. 191-A-28 and Order No. 191-B-19, both effective July 30, 1996, relating to downhole combination, and to expand such provisions to include the Pettet Formation, Reservoir A, underlyng the additional units proposed herein for such formation.
- 7. To extend to the additional units proposed herein for the Hosston Formation, Reservoir A, and for the Cotton Valley Formation, Reservoir A, the provisions of Office of Conservation Order No. 191-B-15 and Order No. 191-A-22, both effective June 18, 1996, relating to establishment of unit allowables, and to expand such provisions to include the Pettet Formation, Reservoir A, underlying the additional units proposed herein for such formation.
- 8. To redefine the Pettet Formation, Reservoir A, in the Caspiana Field, INSOFAR AND ONLY INSOFAR as to the twenty-two additional units proposed herein for the Pettet Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured depths of 5,886 feet and 6,380 feet in the Rising Star Energy, L.L.C.--Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.
- 9. To redefine the Hosston Formation, Reservoir A, in the Caspiana Field, INSOFAR AND ONLY INSOFAR as to the twenty-two additional units proposed herein for the Hosston Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured depths of 6,380 feet and 8,770 feet in the Rising Star Energy, L.L.C.--Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.
- 10. To redefine the Cotton Valley Formation, Reservoir A, in the Caspiana Field, INSOFAR AND ONLY INSOFAR as to the twenty-two additional units proposed herein for the Cotton Valley Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured depths of 8,770 feet and 10,330 feet in the Rising Star Energy, L.L.C.-Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.
- 11. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-C series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Pettet Formation, Reservoir A.
- 12. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-B series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Hosston Formation, Reservoir A.
- 13. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-A series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.
  - 14. To discuss such other matters as may be pertinent.

Honorable James H. Welsh February 28, 2006 Page 3

The Pettet Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-C, effective April 13, 1976.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated February 2, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 1:30 o'clock p.m. on February 27, 2006, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. During this presentation, Applicant explained that it was amending its proposals to request the redefinition of the Pettet Formation, Reservoir A, the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the manner set out in paragraphs 8-10 above. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. Thereafter, the conference was adjourned with no counterplan having been presented.

Attached hereto are plats outlining the additional drilling and production units which Applicant proposes to create (which plats are identical to those attached to the pre-application notice except for a change in unit nomenclature on the proposed additional units for the Hosston Formation, Reservoir A). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable

Honorable James H. Welsh February 28, 2006 Page 4

effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Caspiana Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

yours very truly

David L. Smelle

-- Attorney for Rising Star Energy, L.L.C.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Guy Fuller (w/encls.)
Mr. Louis Gilbert (w/encls.)

Interested Owners, Represented Parties

and Interested Parties (w/plats and conference attendance list only)





